

ONTARIO
SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

B E T W E E N:

MORRISON FINANCIAL MORTGAGE CORPORATION

-and-

Applicant

AG (1000 & 1024 DUNDAS ST. E.) GP INC., AG (1000 & 1024 DUNDAS ST. E.) LP and AG
(1000 & 1024 DUNDAS ST. E.) INC.

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

NOTICE OF APPEAL

THE APPELLANT, AHMED ASSET MANAGEMENT INC. (“AAMI”), the tenant of the premises municipally known as Unit 1, 1024 Dundas Street East, Mississauga, Ontario (the “AAMI Premises”) under a lease with a term commencing January 1, 2025 and expiring December 31, 2030 (the “AAMI Lease”), and not named in the Application and a person affected by the order under appeal, APPEALS to the Court of Appeal for Ontario at 130 Queen Street West, Toronto, Ontario M5H 2N5, from the Order of Justice Dietrich of the Superior Court of Justice (Commercial List) made July 10, 2026 and issued July 13, 2026 as the Order (Lease Termination and Ancillary Relief) (the 'Order'), together with the Endorsement of Justice Dietrich dated July 10, 2026 (the 'Endorsement') and in particular paragraphs 3 through 6 of the Order insofar as they affect AAMI.

THE GROUNDS FOR THE APPEAL are as follows:

1. The Order was made without jurisdiction, during the currency of a statutory stay. Notices of Appeal dated April 6, 2026 and April 9, 2026 were filed in respect of the Order of Justice Dunphy dated April 1, 2026 (Court of Appeal File No. COA-26-CV-

0537). Pursuant to section 195 of the *Bankruptcy and Insolvency Act* (BIA), all proceedings under the order appealed from were thereby stayed except to the extent ordered otherwise. No order lifting the stay was sought or made. The learned motion judge lacked jurisdiction to grant the relief in the Order while the statutory stay remained in effect, or in the alternative erred in law in doing so.

2. The learned Justice erred in law in authorizing the extinguishment of a non-consenting third party's proprietary interest without consideration of the tenant's statutory rights and without adjudication of the asserted set-off. AAMI, among others, was ordered to remit rents and other monies within ten (10) days of the date of the Order (paragraph 6). On July 15, 2026, two days after the issuance of the Order, the Receiver, through its counsel, purported by email to give 'formal written notice of the termination of the Lease' pursuant to paragraph 3 of the Order (the 'Purported Termination').
3. In the Alternative, the learned Justice erred in law in recognizing a freestanding power of the Receiver to extinguish a third party's leasehold estate as the power in the Receivership Order dated December 17, 2025 to 'cease to perform or disclaim any contracts of the Debtors' reaches the Debtors' executory contractual obligations, not an interest in land, and the Endorsement, at paragraph 24, characterizes the AAMI Lease simply as 'a contract of the Debtors' without any consideration of the leasehold as an interest in land.
4. The Appellant was denied natural justice and procedural fairness. The timetable directing the July 10, 2026 hearing of the relief sought against AAMI was fixed at an attendance in which AAMI did not participate; AAMI's responding evidence and cross-motion were never heard or adjudicated; and the Order was granted against a tenant

named in and bound by its operative paragraphs without the tenant's merits being heard, contrary to the *audi alteram partem* principle.

5. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE APPELLANT ASKS that the appeal be allowed and that judgment be granted as follows:

1. An order setting aside the Order as against AAMI, including paragraphs 3, 4, 5 and 6 thereof insofar as they affect AAMI, and any relief granting vacant possession of the AAMI Premises and any relief authorizing the disclaimer or termination of, or otherwise affecting, the AAMI Lease;
2. An order declaring that, upon the setting aside of the Order, the Purported Termination and any other step taken pursuant to paragraph 3, 4 or 5 of the Order is of no force and effect, and that the AAMI Lease subsists;
3. In the alternative, an order setting aside the Order as against AAMI and remitting the matter to the Superior Court of Justice (Commercial List) to be determined on a complete record, including AAMI's responding evidence and cross-motion;
4. A declaration that, pursuant to section 195 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA"), all proceedings under the Order are stayed pending the disposition of this appeal;
5. Costs of the appeal and of the motion below; and
6. Such further and other relief as counsel may advise and this Honourable Court may permit.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:

1. The Order was made in a receivership proceeding under section 243 of the BIA and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43;
2. The appeal lies to this Honourable Court as of right pursuant to section 193(c) of the BIA: the Order is not procedural and does not merely regulate the conduct of the receivership; it finally and directly extinguishes the Appellant's leasehold interest under a lease with approximately four and one-half years remaining in its term, together with the Appellant's place of business, and imposes immediately enforceable money and possession obligations, and thereby directly results in a loss, and directly involves property, of a value plainly exceeding ten thousand dollars.
3. The character of the Order as a standalone, substantive adjudication of rights is confirmed by the Endorsement, which holds that the relief granted is not dependent on the 'Sale Process Approval Order' and records that the lease-termination relief was specifically noted by Justice Dunphy as a matter to be addressed later (Endorsement, paragraph 12); no court has characterized the Order under section 193, the Endorsement's treatment of the appeal-route question (paragraph 11) being expressly provisional and addressed only to a sale process order;
4. The Order contains no provision purporting to operate notwithstanding an appeal, and nothing in it displaces the operation of section 195 of the BIA;
5. In the alternative, the Appellant seeks leave to appeal pursuant to section 193(e) of the BIA, by motion to be brought if and to the extent required;
6. In the further alternative, to the extent the Order was made in the exercise of jurisdiction under the *Courts of Justice Act*, the appeal lies to this Honourable Court pursuant to section 6(1)(b) of the *Courts of Justice Act*, R.S.O.1990 ;

7. Pursuant to section 195 of the BIA, all proceedings under the Order are stayed until the disposition of this appeal, except to the extent a judge of this Honourable Court orders otherwise.
8. Leave to Appeal is not required as the Order is a final Order;
9. Rule 31 of the Bankruptcy and Insolvency General Rules, C.R.C., c. 368;
10. Section 134 (1) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
11. Rule 63.02 (1) of the *Rules of Civil Procedure*;
12. Rule 61.04 of the *Rules of Civil Procedure*;
13. Rules 2.01(1) and 3.01(1) of the *Rules of Civil Procedure*;
14. Such further and other grounds as counsel may advise and this Honourable Court deems just

DATE: July 20, 2026

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Morrison Financial Mortgage Corporation v. AG (1000 & 1024 DUNDAS ST. E.) GP INC et al
Respondent (Applicant) Respondent (Respondent)

Court File No.:
Superior Court File No.: CV-25-00747127-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPEAL

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